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APPENDIX

APPENDIX I

United States Court of Appeals
District of Columbia Circuit

No. 12764

S. C. Johnson & Son, Inc., *Appellant*,

v.

Gold Seal Company et al., *Appellees*.

Argued January 30, 1956.
Decided March 8, 1956

Appeal from the United States District Court for the District of Columbia;

Luther W. Youngdahl, Judge

Messrs. Francis C. Browne and William E. Schuyler, Jr., Washington, D. C., for appellant.

Mr. Floyd E. Thompson, of the bar of the Supreme Court of Illinois, Chicago, Ill., pro hac vice, by special leave of Court, with whom Messrs. Edward B. Beale, Washington, D. C., and Maurice M. Moore, Minneapolis, Minn., were on the brief, for appellee Gold Seal Co.

Messrs. Clarence W. Moore, Sol., U. S. Patent Office, and E. L. Reynolds, Sol., U. S. Patent Office, at the time record was filed, entered appearances for appellees Sinclair Weeks, Secretary of Commerce, and Robert C. Watson, Commissioner of Patents.

Before Prettyman, Wilbur K. Miller and Washington, Circuit Judges.

Per Curiam.

Gold Seal Company sued in the United States District Court for the District of Columbia, seeking a decree authorizing the Commissioner of Patents to register as a

trade-mark the words *Glass Wax* used by it as a name for a liquid cleaner of glass and metal. S. C. Johnson & Son, Inc., answered, seeking a declaratory judgment that the words *Glass Wax* do not constitute a lawful trade-mark, and counter-claiming for injunctive relief, profits and damages on the ground that the mark constitutes a false representation and description of goods, thereby causing Johnson damage or the likelihood of damage. Gold Seal's complaint was dismissed, as was Johnson's counter-claim, and the latter appeals.

For the reasons given in District Judge Youngdahl's opinion, Gold Seal Company v. Weeks, D.C.D.C. 1955, 129 F. Supp. 928, at pages 937-940, the dismissal of the counter-claim is

Affirmed.

APPENDIX II

United States District Court,
District of Columbia.

Nos. 1078-52, 1102-52.

March 24, 1955.

GOLD SEAL COMPANY, *Plaintiff*,

v.

SINCLAIR WEEKS, Secretary of Commerce, and ROBERT C. WATSON, Commissioner of Patents, and S. C. JOHNSON & SON, INC., *Defendants*.

Amendment to Opinion April 20, 1955.

Action was brought for decree authorizing Commissioner of Patents to register as a lawful trade-mark the words "Glass Wax" used by plaintiff for a glass cleaner and polish, which contained no wax. Manufacturer of wax products intervened, opposing the application for registration, seeking a declaratory judgment that words "Glass Wax" did not constitute a lawful trade-mark, and counter-

claiming for injunctive relief, profits, and damages, on ground that the mark constituted a false representation and description of goods within meaning of section of the Lanham Trade-Mark Act forbidding false designations of origin and false descriptions. The District Court, Youngdahl, J., held that the mark was deceptively misdescriptive within meaning of the act and was therefore not entitled to registration as a technical trade-mark, and that manufacturer of wax products was not entitled to injunction, profits, damages, and costs.

Determination of Patent Office in refusing registration upheld, and contentions raised in counterclaim denied.

Edward B. Beale, Washington, D. C. (Beale & Jones, Washington, D. C.), Floyd E. Thompson, Chicago, Ill. (Johnston, Thompson, Raymond & Mayer, Chicago, Ill.), Paul, Moore & Dugger, Maurice M. Moore and Robert P. White, Minneapolis, Minn., for plaintiff.

E. L. Reynolds, Washington, D. C., Solicitor for Patent Office.

Francis C. Browne, William E. Schuyler, Jr., Andrew B. Beveridge, Meade, Browne, Schuyler & Beveridge, Washington, D. C., and Harold F. Greiveldinger, Racine, Wis., for Johnson Wax.

YOUNGDAHL, District Judge.

Plaintiff Gold Seal Company seeks a decree authorizing the Commissioner of Patents to register as a lawful trade-mark the words Glass Wax, used by plaintiff in connection with its liquid composition for cleaning glass and metal. S. C. Johnson & Son., Inc., has intervened, opposing the application for registration of this mark, seeking a declaratory judgment that the words Glass Wax do not constitute a lawful trade-mark, and counterclaiming for injunctive relief, profits and damages on the ground that

the mark constitutes a false representation and description of the goods, thereby causing Johnson damage or the likelihood of damage.[1]

Plaintiff corporation adopted Glass Wax in September 1945, as its mark for the product in question. Shortly thereafter plaintiff unsuccessfully invoked the provisions of the Trade-Mark Act of 1905 to obtain registration of the words (Gold Seal) Glass Wax.

Between 1945 and 1947 plaintiff's product met with significant commercial success. On December 16, 1947, plaintiff again filed an application to register the mark. This application was accepted and published on March 23, 1948. Four oppositions were filed against the application. Three were ultimately dismissed with prejudice. The fourth, filed by intervener Johnson, was the progenitor of the present controversy.

The opinion of the Examiner of Interferences, who heard the opposition, was filed on May 4, 1950, while the Decision of the Commissioner was filed on September 14, 1951. The Examiner held the mark not deceptive, while the Commissioner found it unnecessary to determine this. Both of the Patent Office tribunals, however, denied registration of the mark, deciding that it was either merely descriptive or deceptively misdescriptive and refused to consider the application as one seeking registration based on secondary significance.

In the interest of clarity, the two principal questions involved—that of registrability and that of Johnson's counterclaims—will be treated separately.

I. Registrability of the mark Glass Wax:

Is the plaintiff, Gold Seal Company, entitled to have the words Glass Wax registered as a trade-mark for a "glass

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[1] All questions involved in this suit, including that of jurisdiction, are controlled by the Trade-Mark Act of 1946, 15 U.S.C.A. § 1051 et seq., hereinafter referred to as the Lanham Act.

cleaner and polish" on the Principal Register under the Trade-Mark Act of 1946?

a. Contentions of the parties:

[1, 2] Plaintiff contends that Glass Wax is a "technical" trade-mark under Section 45 of the Lanham Act,[2] it being a combination of words "adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others";[3] that it is not deceptive, nor is it merely descriptive, in that Glass Wax describes both a cleaner for glass and a cleaner for metal; that it is not merely deceptively misdescriptive in that it does not misdescribe a cleaner, a cleaner for glass, or a cleaner for metalware. Plaintiff further contends that should the Court find Glass Wax not a technical trade-mark, it should nevertheless register the mark in that it has acquired a "distinctive" or "secondary meaning" under Section 2(f) of the Lanham Act,[4] even though

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[2] A "technical" trade-mark is nowhere defined by statute but is generally held to refer to a mark, fanciful or arbitrary from the start, as opposed to one which may become registrable after acquiring a secondary meaning through use and public acceptance. In effect, it is a mark not prohibited by Sections 2(a) through 2(e) of the Lanham Act.

[3] 15 U.S.C.A. § 1127.

[4] Section 2(f) provides, as pertinent here, that unless a mark is expressly excluded for a reason as, for example, that it is deceptive, "* * * nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce." The applicant must establish such distinctive use, but "proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years next preceding the date of the filing of the application for its registration" shall be prima facie evidence of its having become distinctive.

In short, regardless of what the original significance of a mark may have been, whether merely descriptive or deceptively misdescriptive, it may be considered distinctive when it has acquired a secondary meaning which indicates the plaintiff's product alone.

evidence of such distinctiveness was not considered by the Patent Office; that it can and should be considered by this Court, the Patent Office having erroneously failed to do so; and that no estoppel exists to prevent plaintiff from presenting registrability under Section 2(f) in this court.

The Patent Office, defendant, contends that the mark is in fact deceptive and does mislead; that such deception constitutes an absolute bar to registration regardless of what the Gold Seal Company intended, and regardless of whether or not any purchaser was injured; that the Government cannot and should not approve the use of any mark which actually misrepresents the goods to which it is applied, and since the product involved contains no wax or any border-line substance which might be considered a wax, since the word "wax" has a reasonably definite meaning, and since the words Glass Wax on a container of a liquid recommended for use on glass indicates that the product contains a wax in material amounts, the mark is deceptive. And further, the Patent Office maintains that since it is not such an anomalous false label in relation to the product that no one would be deceived by it, especially since some glass polishes do contain wax, it is not entitled to registration. If it is not deceptive in this way, the Patent Office asserts that the mark is merely descriptive or deceptively misdescriptive, for if the product does contain wax it is descriptive; if it does not, it is deceptively misdescriptive, since Glass Wax would be generally understood as referring to a product which, when applied to glass, leaves a wax film, or at least contains wax; that further, the way the seal is placed on the product indicates that *Gold Seal* represents the producer and Glass Wax describes the product; that plaintiff is cognizant of this as indicated by the fact that Glass Wax has never been used without being accompanied by the mark Gold Seal. Then, states the Patent Office, since the question of whether the plaintiff was entitled to registration under 2(f) was not before it, due to the form of plaintiff's

application and failure of the required type of proof, so that no ruling was made on the merits of that question, this Court cannot now consider whether the refusal to accept the application as under 2(f) was correct and proper, nor the merits of plaintiff's claim under 2(f); that the claim for a technical trade-mark being distinct from a claim for a trade-mark based upon secondary significance, the Court, as well as the Patent Office tribunals, can pass upon one without having to pass upon the other. In short, the Patent Office takes the position that since registrability under 2(f) cannot be reviewed and considered here, the mark is not entitled to registration, but even if the Court were to consider, erroneously, secondary significance on the merits, plaintiffs have not established secondary significance.

S. C. Johnson & Son, Inc., intervener, backs up the assertions of the Patent Office and further contends that the words Glass Wax have not really been used as a trade-mark by Gold Seal Co.; that the controlling finding of the Patent Office that the words Glass Wax are deceptively misdescriptive must be accorded the presumption of correctness, which has not been overcome, and which could only be overcome by a showing of distinctiveness which this Court is not entitled to consider since the Patent Office had not first considered this on the merits.

b. Conclusions of fact and law:

[3-5] This is a trial *de novo*.[5] A long standing and consistent policy of this Court is to accord considerable weight to the rulings of the Patent Office, skilled and experienced as that office is presumed to be in the field of trade-mark law. Such rulings will not be overturned unless shown to be clearly erroneous or new and substantial evidence is offered. National Lead Co. v. Kingsland,

[5] Jurisdiction is founded on Revised Statutes, § 4915, 35 U.S.C. § 63, now § 146, incorporated by reference in 15 U.S.C.A. § 1071.

D.C. D.C. 1948, 74 F.Supp. 985, Abbott v. Coe, 1949, 71 App.D.C. 195, 109 F.2d 449. At the same time, the Court is entitled to rely more heavily on its own judgment where the case, as here, does not require intricate scientific analysis.

1. Section 2(a)—Deceptiveness

[6] Under Section 2(a), a mark cannot be registered if it "consists of or comprises * * * deceptive * * * matter". The Examiner of Interferences decided that the words Glass Wax were not deceptive under Section 2(a) while the Commissioner found it unnecessary to determine the issue.[6] The Court is well satisfied that the conclusion of the Examiner was correct and justified. He found that:

> " * * * the record fails to show that the word Glass Wax is, in fact, deceptive under Section 2(a). On the contrary, the conclusion seems justified from the voluminous record presented by the applicant that the term may be at most misdescriptive in the sense that such suggestion of deceptiveness may be overcome by a showing of distinctiveness under Section 2(f)."[7]

Of more immediate bearing, the Examiner decided:

> " * * * While it would be naturally expected that housewives when asked whether Glass Wax contained

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[6] The Commissioner having found the mark deceptively misdescriptive or descriptive only, being in full agreement with the Examiner on this point, and having refused to consider plaintiff's application as one under 2(f), considered it unnecessary to determine whether registration of the mark was barred as deceptive under 2(a). See Decision of Commissioner, September 14, 1951, in the matter of Opposition Number 27, 543, S. C. Johnson & Son, Inc. v. Gold Seal Company, (hereinafter referred to as "Decision of Commissioner"), pp. 7-10, 11-13.

[7] Decision of Examiner of Interferences, May 4, 1950, Opposition Number 27, 543, p. 17.

wax, would answer the question in the affirmative, there is nothing in the Roper survey or in opposer's record which would show that anyone would have felt actually deceived if informed that there was no wax in the product. Both opposer's and applicant's records show, on the contrary, that practically all those who have actually used the product are highly pleased with its action whether it may contain wax or not."[8]

The Commissioner analyzed the problem in the following way:

> "Expert opinion as to the chemical constitution of a wax (there are a number of waxes and sometimes several are used in a 'wax' composition sold over the counter) would be of little or no interest to the average customer who uses opposer's products, for the ordinary customer knows nothing of the chemical composition of a can of wax and cares less so long as the product satisfies his need."[9]

With this reasoning the Court agrees. No evidence introduced here shows it to be erroneous or without substantial foundation. While it may be true that the physical and chemical properties of the substance known as "wax" can be ascertained after exacting analysis by one trained and expert in the field, and while such persons have indicated the lack of wax in Glass Wax, this does not automatically make the mark deceptive for the purposes of registration. The evidence does not establish that customers have been misled. To the contrary, it appears that the product satisfies the needs of the customers; that the average or ordinary customer cares little about, and knows little about, the scientific composition of the

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[8] p. 19—Ibid.

[9] Decision of Commissioner, supra, p. 6.

product. Certainly the fact that plaintiff has sold some ninety million units of its glass and metal cleaner, marked Glass Wax, betokens customer satisfaction and indicates that the product is a good product. The evidence does not show that the public has been influenced to purchase the product on account of believing that it contained wax, or that the product was simply a wax to be placed upon glass.

In analyzing the relationship of the mark to the product and its impact upon the public, deception is found when an essential and material element is misrepresented, is distinctly false, and is the very element upon which the customer reasonably relies in purchasing one product over another. When, as here, the product contains an element which can only be known exactly by rigid scientific analysis, and such element does not appear as determinative in leading customers to buy the product, the mark is not deceptive.[10]

2. Section 2(e) — Merely Descriptive or Deceptively Misdescriptive Marks

Having found the mark not deceptive, it then becomes necessary to consider whether or not it may be registered when measured against the prohibition of Section 2(e) which prohibits registration of marks which are "merely

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[10] Cases cited by defendants to support their charge of deception involved marks which were deceptive or misleading in that they represented to the public that the article was something essentially different from the thing which they actually received. Here the evidence shows that customers sought a cleaner and were well satisfied. Had the evidence shown that customers bought the product as a wax for glass, a different problem would have been presented to the Court.

Such distinctions are indicated in the unique factual settings of each case. See for example, Nashville Syrup Co. v. Coca Cola Co., 6 Cir., 1914, 215 F. 527; Kildow Cigar Company v. George B. Sprague Cigar Co., 1910, 35 App.D.C. 345; Levy v. Uri, 1908, 31 App.D.C. 441.

descriptive or deceptively misdescriptive" of the goods to which they are applied.

[7-9] The language of Section 2(e) of the 1946 Act differs slightly from that of the corresponding part of Section 5 of the Trade Mark Act of 1905. In only one case has it been interpreted. The court held that the nature of the prohibition against registration of descriptive marks is essentially the same now as it was under the 1905 Act.[11] While we recognize that marks which merely describe the product itself, or its qualities and characteristics, are not registrable, we are equally aware of the sound rule that prior cases are of little value in deciding just what types of marks are merely descriptive.[12] But we are inclined to the view that this mark is not merely descriptive. What it describes is a wax for glass. It does not describe a cleaner and polisher for metal as well as for glass, which is the true nature of the product. It should not be overlooked that the product is advertised and sold as a cleaner for metal. The mark does not describe this quality or function at all.

[10] The evidence establishes: that the product contains either no wax, or wax in insufficient quantity to justify use of the word; that customers might justifiably believe it does contain the element wax[13] whether or not

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[11] Andrew J. McPartland, Inc. v. Montgomery Ward & Co., 1947, 164 F.2d 603, 35 C.C.P.A.,Patents, 802, certiorari denied 1947, 333 U.S. 875, 68 S.Ct. 904, 92 L.Ed. 1151. See also Application of Hercules Fasteners, Inc., 1953, 203 F.2d 753, 40 C.C.P.A., Patents, 944.

[12] See Application of Hercules Fasteners, Inc., supra, note 11, and In re Locke Stove Co., 1946, 154 F.2d 200, 33 C.C.P.A.,Patents, 934.

[13] The Christopherson survey has been admitted and considered by this Court. Its probative value has been evaluated in light of the inexperience of the questioners, the wording of the questions, its limited scope and its self-serving nature.

it was significant to them in purchasing the product; that it is sold in association with other wax products; that other glass and metal cleaners do contain wax and have an appearance not basically dissimilar to plaintiff's product. We therefore find ourselves in accord with the holding of the Patent Office that the mark, as employed in commerce, is deceptively misdescriptive.[14] For this reason it cannot be registered as a technical trade-mark.

Yet plaintiff submits another reason why it *can* and should be so registered. Plaintiff asserts that since it has introduced evidence of such convincing force as to establish that it is the original and prior user of the word combination Glass Wax, that the word "wax" had never before been applied to any window cleaning fluid, that the word combination was unknown in the English language before plaintiff coined it, and since it is incorrect to separate and analyze each word by itself, rather than considering the mark in its entirety, the mark should be considered fanciful, therefore "technical", therefore registrable regardless of secondary significance.

We are of the opinion that plaintiff's original adoption and prior use of the mark does not make what is essentially a descriptive mark into one that is distinctive and arbitrary.[15] We believe that the mark should not be dissected into "glass" and "wax" but should be adjudged

[14] While the reasoning found in the following cases is somewhat in conflict, the approach of the courts in testing whether marks are deceptive, merely descriptive, or deceptively misdescriptive, is relevant to the present case. In re Bonide Chemical Co. Inc., 1931, 46 F.2d 705, 18 C.C.P.A.,Patents, 909; In re International Resistance Company, 1934, 69 F.2d 566, 27 C.C.P.A.,Patents, 1001; In re Hair Net Packers, Inc., 1940, 115 F.2d 254, 28 C.C.P.A., Patents, 715.

[15] In re Bailey Meter Co., 1939, 102 F.2d 843, 26 C.C.P.A., Patents, 1136.

in its entirety, Glass Wax.[16] Viewed in this way, it still remains immaterial that plaintiff has combined two common English words in a way which is not to be found in dictionaries and which is not precise and accepted grammar, for this does not destroy the meanings of the words used and the import of the total mark as it relates to the qualities and characteristics of the product itself. This mark is comprised of general words which, when viewed together, and regardless of whether they truly or falsely describe the immediate product, could as easily apply to a related class of goods and as aptly describe them as the one before the Court. Such a mark is not "technical".[17]

3. Section 2(f)—Secondary Significance: Distinctiveness Based upon Use and Acceptance.

A mark held unregistrable under Section 2(e) may still be registered under Section 2(f) if it has been used by an applicant and become distinctive of the plaintiff's goods in commerce.[18]

The Patent Office found the mark barred as to registration under Section 2(e) and then refused to consider the application under Section 2(f). As a result no ruling has been made on the merits of the claim for distinctiveness.[19]

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[16] Application of Ada Mill Co., 1953, 205 F.2d 315, 317, 40 C.C.P.A.,Patents, 1076.

[17] A relevant discussion of this is found In re Bonide Chemical Co., supra.

[18] This assumes, as we do here, that the mark is not a notation inherently incapable of functioning as a trade-mark; incapable of indicating the origin of the product rather than the product itself in the eyes of the consuming public.

[19] The Decision of the Commissioner, supra, p. 17, concluded with: "Applicant is not precluded by the decision in this case from applying for registration under Section 2(f) of the Act on a new application appropriately worded for this purpose, and the decision herein is without prejudice to consideration of registrability of the mark on such an application."

The refusal to consider the application under 2(f) was based upon a rule of the Patent Office which required that an allegation of distinctiveness that was not based on substantially exclusive use over a five-year period, but rather on other facts and circumstances, had to be shown by proof submitted separately but included within the application for registration as a technical trade-mark. Plaintiff's application indicated an intent to file under 2(f), but no such proof, as affidavits, was submitted to establish this claim, nor was any reference made to the prevailing rule. The application was published without reference to Section 2(f).

Plaintiff argues that distinctiveness is a fact which has been established by the record; that such evidence of distinctiveness must be considered in this case, for among other things, the Commissioner had the duty to make such determination but refused to do so on arbitrary grounds; and that this Court has the duty to determine marks generally and completely; that distinctiveness was categorically pleaded in plaintiff's answer to the notice of opposition; that Johnson called witnesses to rebut plaintiff's claim of distinctiveness; that plaintiff has committed no act which could be construed as an estoppel from asserting this claim; that the Patent Office was unreasonably strict and overbearing in refusing to allow plaintiff to amend his application to comply with the prevailing rule and in insisting that plaintiff file an entirely new application.

The Patent Office maintains that the rule is one governing the internal procedure in its office; that the rule is reasonable; that it has been applied fairly, but regardless of all this it asserts that this Court has no jurisdiction to determine any of these issues or that of secondary significance, since the Patent Office has not first considered it on the merits.

This action is brought under Section 21 of the Trade-Mark Act of 1946 which provides for court review of

certain Patent Office determinations "under the same conditions, rules, and procedure as are prescribed in the case of patent appeals or proceedings so far as they are applicable." This section absorbs and embodies old R.S. § 4915.[20] There is no reason to suspect, nor has counsel shown any reason to question, that the section confers upon the courts any kind of jurisdiction differing from that existing under the Revised Statute, which has been widely interpreted.

In Shoemarker v. Robertson,[21] an application for a patent had been denied by the Patent Office on the ground that it did not conform to the rules of that office, having been signed in but one place instead of three as required. Appeal was taken under R.S. § 4915, and dismissed by the court which stated:

> "In Butterworth v. United States ex rel. Hoe, 112 U.S. 50, 68, 5 S.Ct. 25, 28 L.Ed. 656, it was ruled that the remedy by bill in equity under section 4915, R.S. (35 U.S.C.A. § 63), applies only when the Commissioner decides to reject an application for a patent on the ground that the applicant is not on the merits entitled to it. In the present case the Commissioner did not reject the application on the merits; he refused to consider it at all."

[11, 12] Judge Washington's detailed and considered analysis of this very issue in Gilbert v. Marzall[22] is compelling precedent here. On review, the disappointed applicants sought an adjudication that they were entitled to patents on certain claims which the Board of Appeals in the Patent Office had refused to consider. The court, while acknowledging that R.S. § 4915 established a pro-

[20] 35 U.S.C. § 63, now § 146.

[21] 1931, 60 App.D.C. 345, 54 F.2d 456.

[22] 1950, 87 U.S.App.D.C. 1, 182 F.2d 389.

ceeding in which new evidence could be received on review, nevertheless recognized the limitations of the statutory provision to the effect that:

> "* * * the statute was not intended to authorize the courts to consider claims not considered on the merits by the Patent Office."[23]

We are satisfied that Congress did not intend, by setting up review in this court, to transfer the functions of the Patent Office to the District Court. This is sound. The court benefits from, and is entitled to, the trained and experienced determinations of the Patent Office on these questions which more often than not involve problems both intricate and subtle.[24] Certainly the question whether or not Glass Wax has become distinctive is of this type. We will not pass upon those claims which have not first been considered on the merits by the Patent Office,[25] nor consider evidence of distinctiveness or of possible Patent Office abusive application of its internal rules in this proceeding.[26]

There is no sound reason why we should not pass upon the merits of a claim for registration of a "technical"

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[23] 87 U.S.App.D.C. 3, 182 F.2d 391.

[24] Were the rule not to be strictly enforced, litigants would gain encouragement to bring into this court all sorts of new, complex, untried issues for original determination. This is a burden unsought, unwarranted and, we believe unintended by Congress.

[25] See Lucke v. Coe, 1934, 63 App.D.C. 61, 69 F.2d 379; Cherry-Burrell Corp. v. Coe, 1944, 79 U.S.App.D.C. 124, 143 F.2d 372.

[26] Plaintiff has not established that it lacked an adequate administrative remedy in the Patent Office or that it lacked judicial remedies as a last resort. See Gilbert v. Marzall, supra; Coe v. United States, 1935, 65 App.D.C. 387, 84 F.2d 240; Steinmetz v. Allen, 1903, 192 U.S. 543, 24 S.Ct. 416, 48 L.Ed. 555; Butterworth v. U. S. ex rel. Hoe, 1884, 112 U.S. 50, 5 S.Ct. 25, 28 L.Ed. 656.

trade-mark while refusing to consider the merits of a claim for registration based on "distinctiveness."[27]

Considering all the written evidence, exhibits, and oral arguments admitted for presentation and filed here, we uphold the determination of the Patent Office in refusing registration of the mark Glass Wax.

II. The Counterclaims of S. C. Johnson & Son, Inc.

S. C. Johnson & Son, Inc., counter-claimant, seeks to enjoin the use of the mark Glass Wax by Gold Seal Company and to recover profits, damages and costs resulting to it from plaintiff's use of this mark.[28] This action is based upon the provisions of Section 43(a) of the Trade-Mark Act of 1946,[29] which provides in pertinent part as follows:

"Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any con-

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[27] Gold Seal Co. v. Weeks, 1954, 93 U.S. App.D.C. 249, 209 F.2d 802, held only that registration sought on the ground of secondary meaning did not present a separate and distinct claim from allegations that the term was neither merely descriptive nor deceptively misdescriptive so that a judgment dismissing action as to secondary meaning was not a final judgment within the meaning of Rule 54(b), Federal Rules of Civil Procedure, 28 U.S.C.A.

[28] Johnson, in its briefs, seeks a separate determination in the form of a declaratory judgment, 28 U.S.C. § 2201, that the words Glass Wax do not constitute either a trade-mark or a lawful trade-mark. Johnson has not pleaded the issue with clarity; has neither presented evidence nor argued it separately during the trial. In effect the Court has determined this against Johnson, and no further consideration is required. See footnote 18.

[29] 15 U.S.C.A. § 1125(a). Johnson also relies upon Section 34 of the Act, 15 U.S.C.A. § 1116, which provides for injunctive relief against unfair use of trade-marks in commerce, and upon Section 35, 15 U.S.C.A. § 1117, which provides for recovery of profits, damages and costs to a party who violates the right of the registrant of a mark registered in the Patent Office.

tainer or containers for goods * * * any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce * * * shall be liable to a civil action * * * by any person who believes that he is or is likely to be damaged by the use of any such false description or representation."

a. Contentions of the Parties:

S. C. Johnson & Son, Inc. contends that Section 43(a) was included in the Lanham Act to grant to a private party a remedy against a person who uses a false designation of origin or a false description or representation of his goods; that the section provides a remedy in the form of money damages and/or injunctive relief to *any* person who believes that he is or is likely to be damaged by the use of the false description or representation; and that this statute, as a result, makes false description a tort *sui generis,* actionable per se, similar to an action for libel where the law presumes damages from use of the libelous words making it unnecessary to plead or prove special damages. S. C. Johnson & Son, Inc. further contends that Gold Seal Company makes various products in fact containing wax, sells them in similar cans, and advertises them together. One of such products is Glass Wax which in fact contains no wax, this being established by expert analysis; that there are on record at least eight patents disclosing glass cleaning compositions which contain wax; that at the time Gold Seal Glass Wax was introduced, wax had for a long time been used in glass cleaners and polishes, and that people hearing of Gold Seal Glass Wax expected to find wax in the product; all these factors cumulatively establishing that the words Glass Wax are words tending to describe falsely this Gold Seal product. Johnson traces the history of the wax back to the Egyptians, through the Greeks and Romans up to

present times, showing its long recognized attributes as a protective and beautifying coating for surfaces of all types; it asserts that the word "wax" gives to products a connotation of value and enhances the saleability; that Johnson has been selling products which contain wax for over sixty-five years, having spent millions of dollars in educating housewives as to the advantage of wax; that Johnson sells between 30% and 40% of the total wax sold in the United States; that its sales have decreased due to the Gold Seal false description, as have those of the wax industry generally, for the housewife has but a limited portion of her budget for waxes which is being siphoned off by spurious products, injuring legitimate producers and marketers. In brief, Johnson seeks an injunction and damages on the ground the Gold Seal Company uses words tending falsely to describe its product, in effect palming off its product as a wax product, damaging Johnson through loss of sales, discredit to its wax products, and trading upon the good will and public acceptance of wax products generally.[30]

Johnson also seeks injunctive relief against use by Gold Seal on its containers of Glass Wax of the notation "T. M. Reg. U. S. Pat. Off." since Gold Seal has no registration in the United States Patent Office which includes the words Glass Wax.

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[30] Johnson states frankly that it cannot point with particularity to the sales it has lost due to the use Gold Seal has made of its mark but states in its brief that "use of the word wax by Gold Seal has obviously diverted from the wax purchases of legitimate wax products. As a result of this diversion Johnson, who ordinarily does between 30% and 40% of the business in the wax industry, has lost sales in a proportion of approximately 30% to 40% of Gold Seal's sales of glass wax." Brief for defendant Johnson on its Counterclaims, p. 19. Johnson reasons from there that the normal margin of profit on that volume would be about 40%, bringing its losses to about $5,000,000.

Gold Seal answers that the failure of Johnson to offer any proof of damages arising out of the unfair competition alleged in the marketing of its cleaner and polisher Glass Wax, or that it is suffering any injury from Gold Seal's trade practices, establishes that the counterclaim was not filed in good faith, but rather to harass Gold Seal in its attempt to register the mark; that Johnson does not have a monopoly of the word "wax"; that Johnson has failed to prove that the purchasing public knows what the word "wax" means; that Johnson neither alleges nor proves that it has been injured directly or that there has ever been confusion between Gold Seal's product Glass Wax and any product of Johnson, or that any user of the product Glass Wax ever found it inadequate for the use for which it was sold. Further, says Gold Seal, Johnson must allege and prove that it has some interest in the mark or that it is marketing a competing product to fall within 43(a), but it has never used the mark, never employed the words "glass" and "wax" in juxtaposition in referring to a product, never put out a product which could successfully compete with Glass Wax.

Gold Seal maintains that Section 43(a), as a matter of law, does not change the substantive law as it existed before its effective date so as to allow plaintiff to sue as a vicarious avenger of the defendant's customers; that it merely broadened jurisdiction of the federal courts to allow a private party to state a claim, but it did not do away with the necessity of showing direct injury or such likelihood for there to be recovery.

Gold Seal then makes a general denial of Johnson's charges on the merits, asserting that Glass Wax means to most persons Gold Seal's familiar product to be had everywhere, rather than a compound of particular substances, and no matter how it is considered, customers were not influenced to purchase Glass Wax because they thought it contained wax, and that it ill becomes Johnson to make this claim under 43(a) alleging false description,

since it markets a product, Car-Nu, which is labelled "A Johnson's Wax Product" but contains no wax and that, further, Johnson is guilty of laches, having remained silent for seven years, permitting Gold Seal to spend millions on advertising before filing its charges—to the grave detriment of Gold Seal.

b. Interpretation of Section 43(a); Conclusions of Fact and Law:

Cases involving application of Section 43(a) have been few in number and conflicting in interpretation. Some courts have read into the section the narrow common law "property right" limitation to the effect that apart from trade-mark infringement and proof of "palming off" misrepresentation by a tradesman concerning his product works no actionable injury upon his competitors.[31]

We believe that L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.,[32] expresses correct law and represents the more sound interpretation. The court said:

> "We find nothing in the legislative history of the Lanham Act to justify the view that this section is merely declarative of existing law. Indeed, because we find no ambiguity in the relevant language in the statute we would doubt the propriety of resort to legislative history even if that history suggested that Congress intended less than it said. It seems to us that Congress has defined a statutory civil wrong of false representation of goods in commerce and has given a broad class of suitors injured or likely to be

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[31] See for example, Chamberlain v. Columbia Pictures Corp., 9 Cir., 1951, 186 F.2d 923, as to the perpetuation of American Washboard Co. v. Saginaw Mfg. Co., 6 Cir., 1900, 103 F. 281. Compare Samson Crane Co. v. Union Nat. Sales, Inc., D.C.Mass. 1949, 87 F.Supp. 218, California Apparel Creators v. Wieder of California, 2 Cir., 1947, 162 F.2d 893.

[32] 3 Cir., 1954, 214 F.2d 649, 651.

> injured by such wrong the right to relief in the federal courts. * * * But however similar to or different from pre-existing law, here is a provision of a federal statute which, with clarity and precision adequate for judicial administration, creates and defines rights and duties and provides for their vindication in the federal courts."

[13-15] In this respect Section 43(a) does create a federal statutory tort, *sui generis,* and to this extent Johnson need not show that any false description or representation was willful or intentional, need not prove actual diversion of trade (palming off, so to speak), need not establish a veritable monopoly position in the industry.[33] It means that wrongful diversion of trade resulting from false description of one's products invades that interest which an honest competitor has in fair business dealings—an interest which the courts should and will protect whether it be called that of "property", "quasi-property" or something else. It represents, within this area, an affirmative code of business ethics whose standards can be maintained by anyone who is or may be damaged by a violation of this segment of the code. In effect it says: you may not conduct your business in a way that unnecessarily or unfairly interferes with and injures that of another; you may not destroy the basis of genuine competition by destroying the buyer's opportunity to judge fairly between rival commodities by introducing such factors as falsely descriptive trade-marks which are capable of misinforming as to the true qualities of the competitive products.

[16, 17] We are satisfied that Johnson had adequate standing to assert its right to recover in a civil action under this section and was entitled to be heard and to

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[33] Within the meaning of Ely Norris Safe Co. v. Mosler Safe Co., 2 Cir., 1925, 7 F.2d 603.

present evidence. We are equally satisfied, however, that Johnson has failed to prove that it is entitled to relief in the form of injunction, profits, damages or costs. It has not established that as a competitor it is or is likely to be damaged by any false description or representation. It has not shown damage or likelihood of damage due to the fact that any substantial number of reasonable customers were misled or likely to be misled as to the nature of the product, they having understood the mark to designate the ingredients, buying the product for its wax content rather than for its effectiveness as a cleaner; or that if they had known the true facts, they most likely would have purchased a different product, whether that of Johnson or some other competitor. The evidence fails to show that Gold Seal Glass Wax is inferior to any similar product marketed by a competitor, or that it has rested or needs to rest upon the borrowed good will of the wax industry generally to maintain commercial success. In short, the record does not disclose perfidious business dealings by Gold Seal resulting in damage or likelihood of damage to any interest of Johnson.[34]

We therefore deny injunctive relief to Johnson. We also deny relief under Section 35 of the Lanham Act in the form of an accounting for profits and damages. Suffice it to say Johnson's attempt to analogize Section 43(a) to a libel action, making proof of actual damages unnecessary, is totally without support in law or reason. Pecuniary recovery must be individualized, loss of sales must be

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[34] It should be noted that while Johnson and Gold Seal are fierce competitors generally, Johnson neither produces nor advertises a specific usable substitute for Gold Seal Glass Wax, although it avers that it produces other items which can be used for the same purpose.

It should also be noted that our holding under Section 43(a) and our finding of deceptive misdescription under Section 2(e) are entirely compatible, as the considerations of fact and the law and the policy in regard to each are so dissimilar.

shown. Section 43(a) was to promote fair business dealings. It was not to provide a windfall to an overly eager competitor.

All of the contentions raised in Johnson's counterclaim will therefore be denied in all respects.

Amendment to Opinion

Upon consultation with counsel and in the interest of making its findings unmistakably clear, the Court amends its original memorandum, by way of summary, in the following respects:

1. Plaintiff's trade-mark GLASS WAX, for plaintiff's cleaner, is not deceptive and is not unregistrable by reason of Section 2(a) of the Trade-Mark Act of 1946, 15 U.S.C.A. § 1052(a).

[18] 2. Plaintiff's trade-mark GLASS WAX, for plaintiff's cleaner, is not inherently incapable of functioning as a trade-mark and is not unregistrable by reason of Section 2 (Preamble) and Section 45 of the Trade-Mark Act of 1946, 15 U.S.C.A. § 1052 and 15 U.S.C.A. § 1127.

3. Plaintiff's trade-mark GLASS WAX, for plaintiff's cleaner, is not merely descriptive and is not for this reason unregistrable by reason of Section 2(e) of the Trade-Mark Act of 1946, 15 U.S.C.A. § 1052(e).

APPENDIX III

L'AIGLON APPAREL, INC.

v.

LANA LOBELL, INC.

No. 11241.

United States Court of Appeals Third Circuit.

Argued April 8, 1954.
Decided July 2, 1954.

Action under Lanham Trade-Mark Act of 1946 by dress manufacturer against dress retailer for fraudulent and injurious use of picture of plaintiff's $17.95 dress in advertising defendant's $6.95 dress. The United States District Court for the Eastern District of Pennsylvania, William H. Kirkpatrick, J., 118 F. Supp. 251, dismissed complaint on ground that it failed to state cause of action, and plaintiff appealed. Court of Appeals, Hastie, Circuit Judge, held that complaint, which alleged that defendant had used a picture of plaintiff's $17.95 dress and that, because of such misrepresentation, some trade was caused to be diverted from plaintiff to defendant and other trade was lost by plaintiff as result of mistaken impression that plaintiff was offering a $17.95 dress worth only $6.95, was sufficient to state cause of action under Lanham Trade-Mark Act provision forbidding false descriptions of goods entering into commerce.

Judgment reversed and cause remanded for further proceedings in conformance with opinion.

Earl G. Harrison (Robert J. Callaghan, Philadelphia, Pa., Schnader, Harrison, Segal & Lewis, Philadelphia, Pa., on the brief), for appellant.

Arthur Markowitz, York, Pa. (Richard V. Zug, Edmonds, Obermayer & Rebmann, Philadelphia, Pa., Markowitz, Livgrant & Boyle, York, Pa., on the brief), for appellee.

Before GOODRICH, KALODNER and HASTIE, Circuit Judges.

HASTIE, Circuit Judge.

Plaintiff, a manufacturer, and defendant, a retailer, are both members of the dress industry, selling dresses in commerce. Each is incorporated in Pennsylvania. Alleging a fraudulent and injurious use of a picture of plaintiff's dress in defendant's advertising, the plaintiff brought this action under the Lanham Trade Mark Act of 1946[1] for damages and injunctive relief. Defendant moved to dismiss the complaint on the ground that it failed to state a cause of action. The court granted defendant's motion on that ground and also because, in the absence of diversity of citizenship, the court believed there was no federal jurisdiction. D.C., 118 F.Supp. 251. Plaintiff appealed.

The complaint explicitly undertakes to state a cause of action "under §§ 39, 43(a) and 44(b), (h) and (i) of the Lanham Act * * *." The district court concluded that Section 44 was inapplicable but did not comment on Section 43(a) as implemented by Section 39. We think Section 43(a) is applicable.

On its face Section 43(a) seems rather clearly to cover the present claim. It provides in relevant part that "Any person who shall * * * use in connection with any goods * * * any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods * * * to enter into commerce, * * * shall be liable to a civil action by any person * * * who believes that he is or is likely to be damaged by the use of such false description or representation." Section 39 gives federal district courts jurisdiction of causes arising under this statute regardless of the amount in controversy or the citizenship of the litigants.

The present complaint alleges that plaintiff created and alone sold to the retail trade throughout the country a

[1] 60 Stat. 427, 15 U.S.C.A. §§ 1051-1127.

certain distinctively styled dress. To advertise this dress plaintiff published pictures of it, together with its price, $17.95, in advertisements in leading newspapers and in some two million individual mailing pieces distributed through retailers. In this way the picture and price of this dress became associated in the minds of many readers and identified as plaintiff's $17.95 dress.

It is further alleged that, at about the same time, defendant was offering for sale through mailorder and otherwise in interstate commerce a dress which in fact was much inferior to plaintiff's in quality and notably different in appearance. In this connection defendant published under its name in a magazine of national circulation a display advertisement worded and designed to promote the mail order sale of its dress at a stated price of $6.95, but showing as the most prominent feature of the advertisement an actual photographic reproduction of plaintiff's dress, thus fraudulently represented as the article defendant was selling for $6.95. Plaintiff alleges that this misrepresentation caused some trade to be diverted from plaintiff to defendant and caused other trade to be lost by plaintiff as a result of the mistaken impression conveyed to those familiar with the advertising of both parties that plaintiff was offering for $17.95 a dress worth only $6.95.

In relation to the language of Section 43(a) this complaint states about as plain a use of a false representation in the description of goods sold in commerce as could be imagined. And plaintiff's alleged damage as a result of defendant's misrepresentation may well be demonstrable within the normal requirements of legal proof and in such was as to entitle plaintiff to relief authorized by the statute. Thus, Section 43(a) seems to cover this case clearly and without ambiguity.

What then is the difficulty? It is, if we rightly understand defendant's position, that before the 1946 enactment of this statute, federal courts had imposed such restrictions

on liability for unfair competition that one in plaintiff's position could not recover for the kind of conduct here charged. Therefore, it is argued, federal courts should so construe the statute as to preserve these judge-made limitations on liability.

We quickly dispose of a claim that relevant limitations on liability are to be derived from Mosler Safe Co. v. Ely-Norris Safe Co., 1927, 273 U.S. 132, 47 S.Ct. 314, 71 L.Ed. 578. For that case expresses no more than the Court's judgment as to the inadequacy at common law of a particular pleading of injury as the result of a defendant's misrepresentation that his product contained an important feature of another's product. Here we see no inadequacy in the present plaintiff's statement of such an injury as Section 43(a) explicitly makes the proper subject of redress.

It is also urged that before 1946 a line of cases beginning with American Washboard Co. v. Saginaw Mfg. Co., 6 Cir., 1900, 103 F. 281, established the doctrine that in the area of present concern misrepresentations about goods were actionable only if they had led or were likely to lead customers, through confusion of defendant's and plaintiff's goods, to buy the former under the misapprehension that they were the latter. "Palming off", narrowly conceived, was said to be essential to any recovery. And the view has been expressed judicially that some limitation is to be read into Section 43(a) of the Lanham Act. Chamberlain v. Columbia Pictures Corp., 9 Cir., 1951, 186 F.2d 923; Samson Crane Co. v. Union National Sales, Inc., D.C.Mass. 1949, 89 F.Supp. 218, 222. But we think it could as plausibly be argued that Section 43(a) reflects the more modern viewpoint[2] of Section 761 of the Restatement of Torts, which provides:

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[2] Apparently an outgrowth of the limited relaxation of the strictures of the American Washboard case sanctioned by the Circuit Court of Appeals in Ely-Norris Safe Co. v. Mosler Safe Co., 2 Cir. 1925, 7 F. 2d 603.

> "One who diverts trade from a competitor by fraudulently representing that the goods which he markets have ingredients or qualities which in fact they do not have but which the goods of the competitor do have, is liable to the competitor for the harm so caused, if,
>
> "'(a) when making the representation he intends that it should, or knows or should know that it is likely to, divert trade from the competitor, * * *.'"

However, we reject this entire approach to the statute. We find nothing in the legislative history of the Lanham Act to justify the view that this section is merely declarative of existing law. Indeed, because we find no ambiguity in the relevant language in the statute we would doubt the propriety of resort to legislative history even if that history suggested that Congress intended less than it said. It seems to us that Congress has defined a statutory civil wrong of false representation of goods in commerce and has given a broad class of suitors injured or likely to be injured by such wrong the right to relief in the federal courts. This statutory tort is defined in language which differentiates it in some particulars from similar wrongs which have developed and have become defined in the judge made law of unfair competition. Perhaps this statutory tort bears closest resemblance to the already noted tort of false advertising to the detriment of a competitor, as formulated by the American Law Institute out of materials of the evolving common law of unfair competition. See Torts Restatement, Section 761, supra. But however similar to or different from pre-existing law, here is a provision of a federal statute which, with clarity and precision adequate for judicial administration, creates and defines rights and duties and provides for their vindication in the federal courts. For illuminating discussions of Section 43(a) and its relation to precedent law, see Callman, False Advertising as a Competitive Tort,

1948, 48 Col. L.Rev. 876, 877-886; Bunn, The National Law of Unfair Competition, 1949, 62 Harv.L.Rev. 987, 998-1000.

[1] We are satisfied that no limitation appears on the face of Section 43(a) and none can properly be imposed which would make the present complaint an insufficient statement of a cause of action under that section. Of course, Section 39 makes it unnecessary to show diversity of citizenship or any jurisdictional amount. It follows that the dismissal of the complaint was error.

While we reverse the judgment of the district court on the ground that a cause action has been stated under Section 43(a) of the Lanham Act, the complaint also predicated jurisdiction on Section 44(b), (h), and (i). The district court ruled that this section was not applicable to this type of case. The matter is important and it is clearly in issue. Therefore, although we could dispose of the present appeal without passing on this issue, thus leaving the district courts which look to us for guidance to speculate on the significance of our silence, we think it better to say now that we agree with the district court in its construction of Section 44.

Prior to the passage of the Lanham Act federal courts had authority to decide claims of unfair competition only if federal jurisdiction was supplied by diversity of citizenship, or if the unfair competition claim was pendent to a substantial and related federal claim. Hurn v. Oursler, 1933, 289 U.S. 238, 53 S.Ct. 586, 77 L.Ed. 1148. Since the passage of the Lanham Act, two lines of authority have developed regarding federal jurisdiction over ordinary claims of unfair competition, apart from the wrongs specified in Section 43(a). The Court of Appeals for the Second Circuit has held diversity and pendent jurisdiction still to be the only bases of federal cognizance of such claims. But in the Ninth Circuit it has been held that the statute gives federal courts jurisdiction to hear all unfair com-

petition claims regardless of diversity or pendent jurisdiction, so long as the unfair competition affects commerce.

The Second Circuit view is that Section 44,[3] which together with Section 39 contains the provisions of the Lanham Act relied on here as the basis of jurisdiction, reveals merely a design to give United States citizens reciprocal rights against foreign nationals where foreign nationals compete unfairly with them. It does not aim to create a federal law of unfair competition available to United States citizens one against the other nor does it grant

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[3] The three subsections of Section 44 relied on are (b), (h), and (i) which read as follows:

"(b) Persons who are nationals of, domiciled in, or have a bona fide and effective business or commercial establishment in any foreign country, which is a party to (1) the International Convention for the Protection of Industrial Property, signed at Paris on March 20, 1883; or (2) the General Inter-American Convention for Trade Mark and Commercial Protection signed at Washington on February 20, 1929; or (3) any other convention or treaty relating to trade-marks, trade or commercial names, or the repression of unfair competition to which the United States is a party, shall be entitled to the benefits and subject to the provision of this Act to the extent and under the conditions essential to give effect to any such conventions and treaties so long as the United States shall continue to be a party thereto, except as provided in the following paragraphs of this section.

* * * * *

"(h) Any person designated in paragraph (b) of this section as entitled to the benefits and subject to the provisions of this Act shall be entitled to effective protection against unfair competition, and the remedies provided herein for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.

"(i) Citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in paragraph (b) hereof."

the federal courts any new authority to hear such controversies between citizens. American Automobile Association v. Spiegel, 2 Cir., 1953, 205 F.2d 771. Accord: Old Reading Brewery, Inc. v. Lebanon Valley Brewing Co., M.D.Pa.1952, 102 F.Supp. 434.

In somewhat greater detail, it is reasoned that Section 44(b) grants to certain foreign nationals and others domiciled or doing business in a foreign country "the benefits * * * of this chapter to the extent and under the conditions essential to give effect to" certain enumerated conventions and treaties. Subsection (i) gives United States citizens the same benefits as are "granted * * * to persons described in subsection (b)." Subsection (h) gives any person designated in subsection (b) as entitled to the benefits and subject to the provisions of the chapter "effective protection against unfair competition". Thus, under subsection (i) the citizen gets only that protection which certain aliens get under subsection (h), which in turn refers back to subsection (b) for a statement of its coverage. This last reference is reasonably construed as comprehending not merely the national identification of beneficiaries of the legislation but also the limiting context in which rights are conferred upon them. That context is stated explicitly in the words, "to the extent and under the conditions essential to give effect to any such conventions and treaties", as they appear near the end of subsection (b). If the foregoing analysis is correct, the words last quoted limit the federal rights conferred in subsection (i) in a way which obviously excludes the ordinary domestic controversy such as we have here.

The Ninth Circuit view as expressed in Stauffer v. Exley, 1950, 184 F.2d 962, and reaffirmed in Pagliero v. Wallace China Co., 1952, 198 F.2d 339, is that Section 44 of the Lanham Act creates a substantive federal law of unfair competition with remedies available between United States citizens wherever there is present the requisite involvement

of interstate commerce. Under this view subsection (h) refers to subsection (b) only to identify the aliens who are entitled to the benefits of subsection (h), without connoting any limitation on the scope of protection. It is concluded that the identified aliens would be entitled to unqualified "protection against unfair competition," and, by virtue of subsection (i) citizens would also be so entitled.

In choosing between these constructions we are impressed that Section 44 with its various subsections, different from Section 43, is found under Title IX of the Act which is entitled "International Conventions." Was it the intent of Congress, when it used the foregoing language in a title implementing international conventions, to establish a federal law of unfair competition in commerce unrelated to any matter arising out of some international convention or Treaty? The legislative history of the Act suggests a negative answer.

H.R. 4744, introduced in the 76th Congress on March 3, 1939, was the first of a series of trade-mark bills to include a title on international conventions. That original title differed in two material particulars from its counterparts in the trade-mark bills subsequently introduced, including the one which became the Lanham Act. First, H.R. 4744 included a section which stated that "All acts of unfair competition in commerce are declared to be unlawful * * *." Second, H.R. 4744 did not include any language similar to subsection (h) of Section 44 of the present Lanham Act.

As to the first difference, objection was made at the hearings that the section declaring all acts of unfair competition in commerce to be unlawful was dangerously broad; that it gave jurisdiction to the federal courts in any case involving unfair competition regardless of diversity of citizenship, and that it was not sufficiently tied up with the heading "Conventions" to indicate its purpose was simply to implement those international agreements. It was suggested that this broad section be omitted and that

instead Section 32, which dealt with remedies, include language covering unfair competition.[4] This it was said, would tie the remedy "to a registration granted under this act, so that there is some basis for the Federal jurisdiction."[5] It was suggested that if this were done there would be "something which we could very plausibly tell our foreign friends that 'This is what we consider unfair competition and if you will register your trade-mark here, you will get this protection.' At the same time it fits right in with the purpose of the whole act allowing any distinctive mark to be registered and would make a consistent law without a somewhat dangerous, broad, extraneous passage * * * [declaring all acts of unfair competition unlawful]."[6] Later in the discussion, however, it was pointed out that while one international convention prohibited unfair competition with respect to the marking of goods, another went much further and prohibited "commercial bribery among other things."[7] It was suggested, therefore, that a separate section to implement the various conventions might be drafted.

On June 1, 1939, two months after the close of hearings on H.R. 4744, Mr. Lanham reintroduced trade-mark legislation, this time as H.R. 6618. This bill omitted the broad

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[4] Hearings before the Committee on Patents, Sub-Committee on Trade-Marks, House of Representatives, 76th Congress, 1st Session, on H.R. 4744, pp. 163-168.

[5] Remedy under Section 32 was available only to a trade-mark registrant.

[6] Hearings, supra, p. 167.

[7] Compare The Inter-American Convention for Trade Mark and Commercial Protection, Article 21, Treaties, Conventions, International Acts, Protocols and Agreements between the United States and other Powers, vol. 4, p. 4768 at p. 4774 with the International Convention for the Protection of Industrial Property, Article 10 Bis, ibid. p. 5516 at p. 5527.

provision declaring all acts of unfair competition to be unlawful but included a separate section which read:

> "Any person designated in paragraph (a) [sic, (b)?] of this section as entitled to the benefits and subject to the provisions of this Act, shall be entitled to effective protection against unfair business competition, and the remedies provided herein against infringement of trade-marks shall be available so far as they may be appropriate."

It was substantially in this form that trade-mark legislation was subsequently introduced in the 77th and 78th Congress, H.R. 82 of the latter Congress becoming the Lanham Act.

This legislative history lends support to the following inferences and interpretations limiting Section 44:

1. Congress, by its discussion and rejection of the broad provision of H.R. 4744 of the 76th Congress declaring all acts of unfair competition to be unlawful, revealed an unwillingness to give federal courts jurisdiction of unfair competition claims to the full extent of its power to regulate commerce.

2. The intent of Congress was to implement international agreements which were not self-executing and which varied in their coverage of practices in the field of unfair competition.

3. By rejecting the suggestion that the unfair competition provision be placed in the section providing remedy to registrants alone and by placing it in a separate section in accordance with the suggestion that some conventions prohibit unfair competition in respects other than the marking of goods, Congress manifested an intent to fashion a remedy to coincide with rights growing from the respective international agreements.

4. The "effective protection against unfair competition" granted in subsection (h) is coextensive with the varying substantive provisions of the international agreements, and

5. the same limitation applies to the benefits granted to citizens in subsection (i).

In addition, we think it is proper in construing the Lanham Act to give weight, as the court below did, to the fact that Section 1338(b) of Title 28 of the United States Code as adopted some two years after the Lanham Act gives the district courts jurisdiction of "any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trade-mark laws." This seems to be a legislative codification of the rule of Hurn v. Oursler, supra. But there was no need for such a limited declaration of jurisdiction over unfair competition if the Lanham Act had covered this situation with countless others in a much broader grant of jurisdiction over all unfair competition in commerce. Thus Section 1338(b) strengthens the inference that the Lanham Act was not intended to bring all unfair competition in commerce within federal jurisdiction.

[2] For these reasons we adopt the conclusion of the Court of Appeals of the Second Circuit that Section 44 does not cover such cases as the present one.

The judgment will be reversed and the cause remanded for further proceedings in conformity with this opinion.

APPENDIX IV

CHAMBERLAIN ET AL.

v.

COLUMBIA PICTURES CORP.

No. 12554.

United States Court of Appeals
Ninth Circuit.

Jan. 18, 1951.

Action by Thomas G. Chamberlain and Central Hanover Bank & Trust Company as Successor Trustees under the last will and testament of Samuel L. Clemens, deceased, and others against Columbia Pictures Corporation for unfair competition and a violation of a trade-mark. The United States District Court for the Southern District of California, Central Division, James M. Carter, J., rendered judgment for defendant and plaintiffs appealed. The Court of Appeals, Orr, Circuit Judge, held that allegation that defendant produced and exhibited a motion picture and advertised same in such a way as to give impression that Samuel L. Clemens wrote story, and motion picture was of such inferior character as to bring Mark Twain's stories into disrepute and lessen value of his literary works in absence of any right by plaintiff to exclusive use of name "Mark Twain" or exclusive rights to use story on which movie was allegedly based did not state a cause of action for unfair competition or a violation of a trade-mark.

Harry E. Sokolov, Los Angeles, Cal., for appellant.

Mitchell, Silberberg & Knupp and Leonard A. Kaufman, all of Los Angeles, Cal., for appellee.

Before STEPHENS, BONE and ORR, Circuit Judges.

ORR, Circuit Judge.

The District Court dismissed appellants' complaint on the ground that it did not state a cause of action. Appel-

lants attempted to allege a cause of action for unfair competition and a violation of a trade-mark. The complaint alleged in substance that appellants Chamberlain and Central Hanover Bank Company are the trustees of the estate of the late Samuel L. Clemens (Mark Twain); that Mark Twain Company is a corporation organized by Samuel L. Clemens during his lifetime for the purpose of engaging in the business of exploiting and publishing the literary property written by him and for the purpose of development of the name "Mark Twain"; Clara Clemens Samossoud is the sole heir of Samuel L. Clemens, deceased. It is alleged that appellants claim all rights possessed by Clemens at the time of his death in literary property, including the copyright to most of Clemens' works; that the name "Mark Twain" was used by Clemens to designate himself as the author of his works; that the name acquired considerable popularity because of the excellent quality of the works to which it was attached; that appellants are deriving income from exploiting, publishing, selling and licensing "Mark Twain" works. It is further alleged that the name "Mark Twain" has been registered under the federal trade-mark law and under the trade-mark laws of the various states, and has been licensed by appellants for use in connection with literary products and for commercial purposes in connection with non-literary products. The complaint further alleges that appellee has been exhibiting throughout the United States a motion picture produced by defendant entitled "Best Man Wins," and advertising this picture in such a way as to give the impression that Samuel L. Clemens wrote the story, in that appellee's advertisements say their picture is "A Story only Mark Twain Could Tell," "Mark Twain's Favorite Story," "Mark Twain's Tale of a Gamble in Hearts," and other similar statements. It is alleged that Clemens never wrote a story "Best Man Wins," and that the motion picture bears only slight resemblance to the Mark Twain short story, "The Celebrated Jumping Frog of Calaveras County." It is further alleged

that the picture "Best Man Wins" is "an inferior motion picture photoplay," which "tells a very common, ordinary and what is commonly characterized in the motion picture theatrical industry as a 'corny' love story." Further, it is alleged that the quality of this picture, coupled with the representation that the story was written by Clemens, has depreciated the value of those literary works of Mark Twain which are protected by copyright and of the trade name "Mark Twain," in connection with its use in other commercial enterprises. (Since the "Jumping Frog" is in the public domain there is no claim of copyright infringement.)

The prayer of the complaint is for an injunction against further misleading advertisements, an accounting of the gross receipts in connection with the motion picture, damages and other appropriate relief.

The District Court concluded that inasmuch as the story "Jumping Frog of Calaveras County" was in the public domain and that there is also, in the public domain, other historic material with the name "Mark Twain" which belongs to everybody and since there exists no exclusive right to the use of the name "Mark Twain" there was no unfair competition in what appellee did.

The cause of action attempted to be set forth in the amended complaint is not bottomed on a claim of exclusive use or validity of trade-mark. Prior to the Lanham Act of 1946, 15 U.S.C.A. § 1051 et seq., appellants' claim arising out of the allegedly valid registration of a trade-mark under the Federal Trade-Mark Law would have been significant in determining the jurisdiction of the federal court but would not have given rise to a separate "cause of action." Cf. Hurn v. Oursler, 1933, 289 U.S. 238, 53 S.Ct. 586, 77 L.Ed. 1148. Various provisions of the Lanham Act now give protection under federal law regardless of the registration under federal law of the trade name concerned, provided the unfair competition takes place in interstate com-

merce. See, Stauffer v. Exley, 9 Cir., 1950, 184 F. 2d 962. The merit of the attempted statement of a cause of action in the amended complaint, if any, must be found in its relation to the remedies conferred under § 1125, T. 15 U.S.C.A., that being the section appellants are attempting to invoke. Said section, as it applies here, provides that any person "who shall * * * use in connection with any goods or services * * * a false designation of origin, or any false description or representation, including words * * * tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, * * * shall be liable to a civil action by any person * * * who believes that he is or is likely to be damaged by the use of any such false description or representation."

We have hereinbefore detailed the allegations relative to the misrepresentations made upon which appellants rely. From those allegations appellants plead the conclusion that the story thus falsely described and represented was of such an inferior and "corny" character as to bring all Mark Twain's stories into disrepute and thereby lessen the value of his literary products, and that inasmuch as appellants are engaged in marketing certain literary works of Mark Twain and in exploiting and licensing the name "Mark Twain", and have the exclusive right so to do, that the false representations and descriptions used by appellee in advertising the inferior picture "Best Man Wins" will damage them. In arriving at a conclusion as to whether the amended complaint states a cause of action we take as true all allegations well pleaded. We are not concerned with proof. At first blush it might be said that the allegations made fit snugly into the provisions of § 1125, T. 15 U.S.C.A. However, we do not think said section changes the fundamental requirements necessary to sustain a suit for unfair competition, one such requirement being a direct injury to the property rights of a complainant by passing off the particular goods or services misrepresented as those of complainants. Deceiving the public by fraudulent means,

while an important factor in such a suit, does not give the right of action unless it results in the sale of the goods as those of the complainant.[1] Here the advertising in no manner intimated that the story on which the "Best Man Wins" was based was the property of appellants. They had no more right to the use of the story "Jumping Frog of Calaveras County" than did appellee. There is no *passing off* other than alleged misrepresentation of the authorship of the story. Appellants do not have the right to the exclusive use of the name "Mark Twain". It is not alleged that appellee is selling the story as appellants' story; their complaint is that the association of the name "Mark Twain" with a "corny" production injures appellants' chances to sell other works of that eminent author be detracting from his fame as such. To our minds this is a nebulous, far-fetched conclusion. We could almost take judicial notice of the fact that the fame of "Mark Twain" cannot be so easily marred. Of course we realize that a determination of the weight of evidence that might be produced is not our function here. We mention it merely to point up the weakness of the allegations made. We repeat, there is nothing in the advertisements that could lead anyone to believe that "Best Man Wins" is the goods or business of appellants or that appellants are in any manner connected with the picture or story. Appellants do not have a monopoly. They own only a portion of the extant works of Mark Twain. In order to entitle appellants to the relief sought it would be necessary for them to allege that they have an exclusive right to the use of the story in question and they must be injured directly by appellee's acts. Cf., Mosler Safe Co. v. Ely-Norris Safe Co., 273 U.S. 132, 47 S.Ct. 314, 71 L.Ed. 578.

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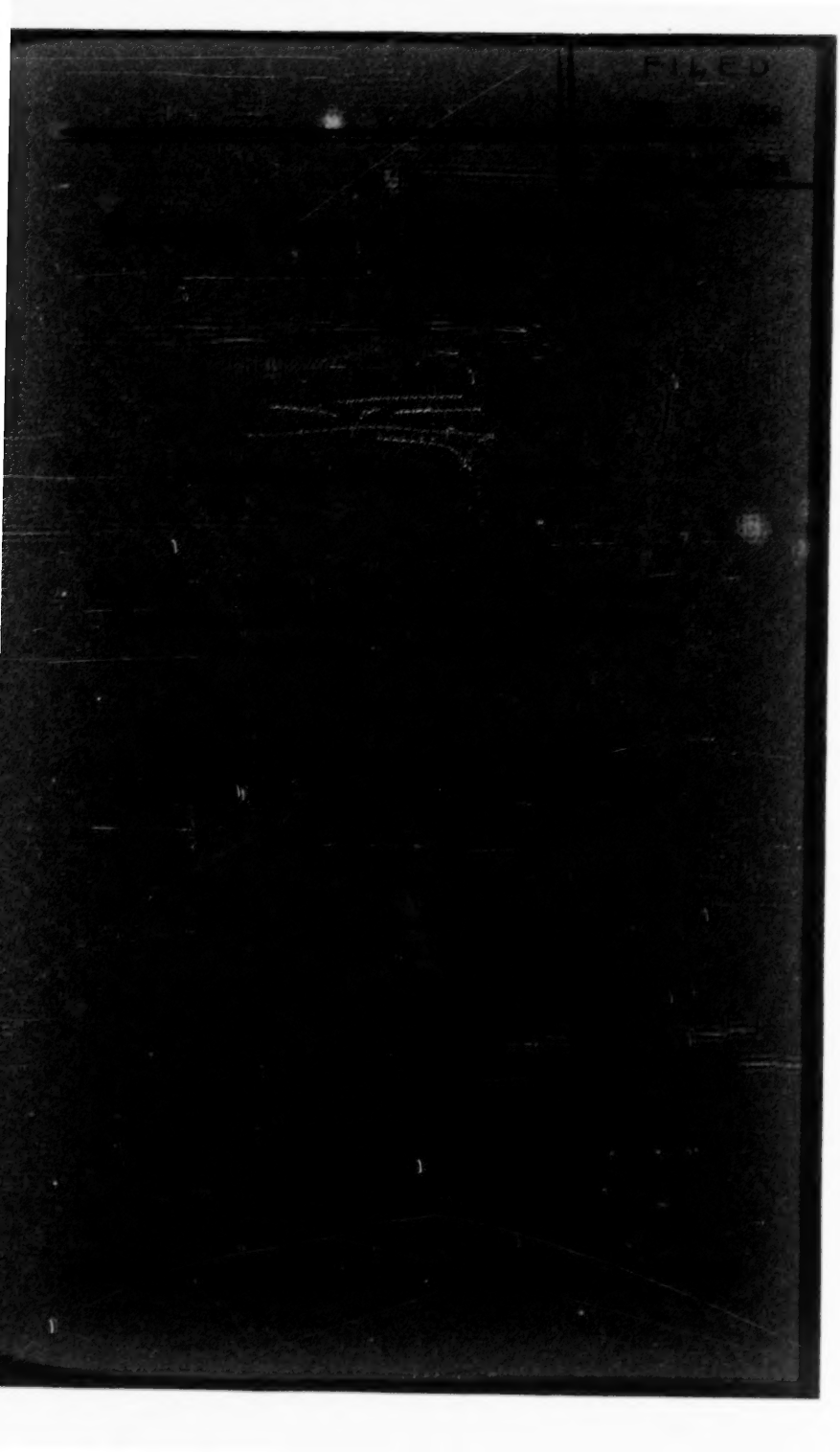
[1] Cf., American Washboard Co. v. Saginaw Mfg. Co., 6 Cir., 103 F. 281; Borden's Condensed Milk Co. v. Horlick's Malted Milk Co., D.C., 206 F. 949; Armstrong Cork Co. v. Ringwalt Linoleum Works, D.C., 235 F. 458; California Apparel Creators v. Wieder of California, 2 Cir., 1947, 162 F.2d 893, 174 A.L.R. 481.

Here appellee is not attempting to appropriate values that are the property of appellants because the story "Jumping Frog of Calaveras County" is not owned by appellants. It is not alleged that appellants acquired all rights and privileges as to the use of his stories then extant which Samuel L. Clemens may have had prior to his death and in fact it is doubtful such an allegation could be successfully made.

It is argued that injunctive relief has been granted on the theory of dilution of the value of literary property. We do not so construe the authorities cited in support of that contention. We think those cases were based upon unfair competition wherein *passing off* was involved and wherein the plaintiffs had proven secondary meaning. We think the name Mark Twain is incapable of acquiring a secondary meaning; in connection with literary property. The name Mark Twain from a literary standpoint, indicates only the writings of Samuel L. Clemens, which is a primary meaning. Establishment of the secondary meaning is necessary in order to sustain an action for unfair competition where the goods are entirely non-competing and unrelated. Centering our sights upon the situation in this case as it is presented by the allegations of the amended complaint we find it distinguishable from the authorities upon which appellants rely in that appellants have no right to the exclusive use of the name Mark Twain; that the name has no secondary meaning and the sole rights inherited from Samuel L. Clemens were to certain copyrighted stories of which the story in question here was not included.

Order affirmed.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In The

Supreme Court of the United States

October Term, 1956

No. 135

S. C. Johnson & Son, Inc., *Petitioner*

v.

Gold Seal Company; Sinclair Weeks, Secretary of Commerce, and Robert C. Watson, Commissioner of Patents, *Respondents.*

ANSWER OF GOLD SEAL COMPANY TO PETITION FOR WRIT OF CERTIORARI

To the Honorable The Chief Justice and the Associate Justices of the Supreme Court of the United States:

Gold Seal Company, respondent to the petition for writ of certiorari to the United States Court of Appeals for the District of Columbia Circuit, opposes the granting of the petition.

Grounds of Opposition

The decision of the Court of Appeals in this case is not in conflict with the decision of another Court of Appeals on the same matter, said Court has not decided an important question of federal law which has not been but should be settled by this Court, and said Court has not decided a federal question in a way in conflict with

applicable decisions of this Court. Petitioner presents no sound reason which should move this Court to exercise its discretion in favor of review of the decision below.

Petitioner did not suffer defeat by reason of any construction placed upon Section 43(a) of the Lanham Act (Title 15, U.S. Code, Section 1125(a)) by the courts below. The District Court adopted petitioner's construction of the Act and overruled respondent's motion to dismiss the counterclaim. (Appendix to Petition, p. 22a.) Judgment was entered dismissing the counterclaim because petitioner "failed to prove that it is entitled to relief in the form of injunction, profits, damages or costs," and because "the record does not disclose perfidious business dealings by Gold Seal resulting in damage or likelihood of damage to any interest of Johnson". (App. to Pet., p. 23a.) The Court of Appeals affirmed on the opinion of the District Court. (App. to Pet. p. 2a.)

Questions Presented for Review

Petitioner, in stating the questions of law it presents for review, assumes a fact situation contrary to that established by the decisions below. The District Court found that "GLASS WAX" is not per se a "false description or representation" of respondent's liquid composition for cleaning glass and metal, that the proof does not establish that petitioner is or is likely to be damaged by the alleged false description or representation, that the proof does not show any damage or likelihood of damage to petitioner due to any substantial number of reasonable customers being misled as to the nature of the product, and that there is no proof that any customer would have purchased a different cleaner if he had known the ingredients of "GLASS WAX." (App. to Pet., pp. 23a-24a.) To present its question whether

Section 43(a) of the Lanham Act (Title 15 U.S. Code, Sec. 1125(a)) was correctly interpreted below, petitioner assumes, contrary to the fact, that "GLASS WAX" is per se a false description or a false representation of the liquid composition to which it is applied and that petitioner had a reasonable basis for believing that it is or is likely to be damaged by respondent's use of the mark "GLASS WAX" in marketing respondent's glass and metal cleaner and polisher. This Court does not review hypothetical questions.

Statement of the Case

Gold Seal Company, respondent here, sought a decree in the District Court authorizing the Commissioner of Patents to register as a trademark the name "GLASS WAX" used since 1945 in connection with its liquid cleaner of glass and metal. (App. to Pet., pp. 1a, 3a.) Petitioner, S. C. Johnson & Son, Inc., had opposed the registration in the Patent Office and was named a defendant in the District Court proceeding, (App. to Pet., p. 4a) but no relief was asked as to petitioner. Petitioner answered and filed a counterclaim for injunctive relief and for profits and damages on the ground that the mark constitutes a false representation and description of the goods and that its use damaged or was likely to damage petitioner. (Johnson's Appendix 2-6; R. pp. 2-6.)

Petitioner also filed a cross-claim against the Commissioner seeking a declaration that "GLASS WAX" is not registerable and an injunction restraining the Commissioner from acting upon an appropriate application for registration, (Gold Seal Appendix 1-4; R. pp. 259-262) and this cross-claim was dismissed by the District Court. (G. S. App. 6; R. p. 264.) No appeal was taken by Johnson from this order.

The District Court sustained the action of the Commissioner in denying registration of "GLASS WAX"

as a "technical" trademark and in holding that respondent's application was not in such form as required consideration of registration of the mark as "distinctive," (App. to Pet., pp. 7a-17a,) without prejudice to respondent's right to seek registration under Section 2(f) of the Act (Title 15, U.S. Code, Sec. 1052(f)) by appropriate proceedings in the Patent Office. (J. App. 31; R. p. 31.) No appeal was taken by Gold Seal from this decree.

Judgment was entered dismissing the counterclaim for failure of proof (App. to Pet., p. 23a) and there was an appeal by Johnson only from the judgment denying relief under the counterclaim. (J. App. 32; R. p. 32.)

Neither the Secretary of Commerce nor the Commissioner of Patents was a party to the counterclaim and they are only nominal respondents here.

Petitioner seeks to frame the legal question it presents (Pet., pp. 2-3) in a fact picture which has no support in the record or which is petitioner's conclusion of fact from disputed evidence. (Pet., pp. 4-5.) The undisputed facts are that from 1945 through 1954 respondent sold to housewives and others more than 90,000,000 units of "GLASS WAX," (G. S. App. 9-10; R. pp. 268-269; App. to Pet., p. 10a,) and that no customer has ever inquired of respondent whether the product contains "wax." (G. S. App. 17; R. p. 276.) "GLASS WAX" is made by a secret formula of Hollingshead Corporation and respondent does not know whether this product contains "wax" in a chemical sense. (G. S. App. 17, 26; R. pp. 276, 285.) Petitioner's chemists testify that there is no agreement as to a definition of "wax" (G. S. App. 41-44, 70-72; R. pp. 300-303, 331-333) and agencies of the federal government have never defined "wax". (G. S. App. 69-70; R. pp. 330-331.) "Wax," according to Webster, has a very wide range of meaning and covers many substances of varying chemical and physical properties. (G. S. App. 75-77; R. pp. 336-338.) A chemist of the

Bureau of Standards testified she found in "GLASS WAX" upon analysis a wax-like residue. (G. S. App. 26; R. p. 285.) The Federal Trade Commission in 1949 declined to take action on a complaint from some undisclosed source against Gold Seal respecting its use of the mark "GLASS WAX." (G. S. App. 12, 72; R. pp. 271, 333.) "GLASS WAX" is not merely descriptive of the ingredients, quality or characteristics of an article of trade, but "GLASS WAX" identifies a glass cleaner and metal polisher coming from a single source and distinguishes it from the cleaners and polishers of all other manufacturers and marketers. (G. S. App. 66-67; R. pp. 327-328; App. to Pet., pp. 8a-10a.) Cf. *The Coca-Cola Co.* v. *The Koke Co. of America* (1920), 254 U.S. 143, 146, and *Armstrong Cork & Insulation Co.* v. *Banner Rock Products Co.,* (CCPA, 1931), 49 F. 2d 971, 973. There is no competent evidence that there is a glass cleaner on the market that contains "wax" in the chemical sense, and petitioner's chemists admit that petitioner has tried for ten years to make a successful glass cleaner containing what they choose to call "wax" and has failed. (G. S. App. 40, 45; R. pp. 299, 304.)

Reasons for Denial of Writ

Petitioner asks this Court to indulge in the futile academic exercise of interpreting Section 43(a) of the Lanham Act (15 U.S. Code Section 1125(a)). It does not show how it has suffered injury by an interpretation placed on the Act in this case. It assumes the role of vicarious avenger of public wrongs without showing that it has any present interest in the construction of the subject statute which gives it any standing in this Court.

There is no ambiguity in the language of Section 43(a). This section gives the federal courts an added jurisdiction, but there is nothing in the language of the section, nor in the legislative history, which shows an intention

of Congress to change the substantive law of unfair competition as it existed when the statute was enacted. Cf. *S. C. Johnson & Son, Inc.* v. *Johnson* (CA 2, 1947), 175 F. 2d 176, 178, cert. den. 338 U.S. 860. There is certainly nothing in the language of the section to give support to petitioner's contention that this legislation "authorizes relief" to a plaintiff who has not proved his case. The section provides that one guilty of the proscribed conduct "shall be liable to a civil action * * * by any person who believes that he is or is likely to be damaged by the use of any such false description or representation," but it falls far short of saying that there is no longer the requirement that a private party who brings an action shall establish injury or likelihood of injury to his business or property before he is entitled to relief.

There is no conflict between the *decisions* of the Court of Appeals for the Ninth Circuit in *Chamberlain* v. *Columbia Pictures Corp.*, 186 F. 2d 923 (1951), and of the Court of Appeals for the Third Circuit in *L'Aiglon Apparel, Inc.* v. *Lana Lobell, Inc.*, 214 F. 2d 649 (1954). Both cases involved the sufficiency of a complaint under Section 43(a) of the Lanham Act. The Ninth Circuit Court did no more than express its judgment of the inadequacy of a particular pleading of injury resulting from defendant's advertising of a motion picture in a manner designed to leave the impression with the public that the story was authored by a famous writer, and the Third Circuit Court did no more than express its judgment of the adequacy of a particular pleading of injury resulting from defendant's falsely advertising its dress by using a photographic reproduction of plaintiff's dress. The Ninth Circuit Court says that it does not think Section 43(a) changes the fundamental requirement that a claim upon which relief can be granted in a case under the section is stated in a complaint only when facts are alleged showing injury or threat of in-

jury to plaintiff's property or property rights, and the Third Circuit Court says nothing different. In the course of the reasoning to support the conclusions reached as to the sufficiency of the respective complaints, there appears to be some diversity of opinion between these courts as to the scope of Section 43(a).* This is not the sort of *conflict of decisions* which moves this Court to exercise its discretion to grant review on writ of certiorari. This Court reviews judgments, not opinions.

The fact that this Court has not yet had occasion to interpret Section 43(a) of the Lanham Act is not a consideration which will move this Court to grant a review. When the question arises in a case where a petitioner has been denied relief by reason of an improper interpretation of the Act is soon enough for this Court to consider the question. Here petitioner was given its day in Court under a construction of the section as interpreted by it and it lost because it did not prove its case. (App. to Pet., pp. 22a-23a.) Petitioner cannot escape the fact that it is a private litigant and no stretching of the language of Section 43(a) can relieve a private litigant of the burden of individualizing the injury asserted and of proving that he has been or is likely to be injured directly by the acts of defendant.

Petitioner is the giant in the wax product field, having about 40% of the total business, (J. App. 83; R. p. 83,) and respondent is one of the smaller of the 300 competitors of petitioner in the wax product field. Petitioner is not a competitor of the respondent in the field here in issue. Petitioner has no product, such as "GLASS WAX", designed specially for cleaning glass and similar surfaces or for cleaning and polishing metals of various

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* Petitioner itself shows (Pet. p. 9) that the decision in Samson Crane Co. v. Union National Sales, Inc., 87 F.Supp. 218, affd. 180 F.2d 896, is on grounds not present in this case.

kinds. (G. S. App. 49-51, 83-84; R. pp. 308-310, 345-346.) Petitioner seeks an injunction not to protect and preserve any rights it has in the mark "GLASS WAX", but it seeks an injunction to destroy the property rights of respondent in its valuable and unique mark "GLASS WAX."

Conclusion

None of the considerations stated in Rule 19 of the rules of this Court as ground for granting a review on writ of certiorari are presented by the record in this case. There are no special and important reasons which should move this Court to exercise its discretion to review this case.

Respectfully submitted,

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IN THE

Supreme Court of the United States

October Term, 1955

No. 1000 [illegible] 135

S. C. JOHNSON & SON, INC., *Petitioner*

v.

GOLD SEAL COMPANY; SINCLAIR WEEKS, Secretary of Commerce, and ROBERT C. WATSON, Commissioner of Patents, *Respondents*

PETITIONER'S REPLY TO RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

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IN THE

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No. 1000

S. C. JOHNSON & SON, INC., *Petitioner*

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PETITIONER'S REPLY TO RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

I. RESPONDENT CONTENDS SECTION 43(a) MERELY DECLARATION OF ANTECEDENT COMMON LAW

Respondent's defense of the action below was based on the contention that Section 43(a) did not change the common law (as established by the Supreme Court in *Ely-Norris Safe Co.* v. *Mosler Safe Co.*, 273 U.S. 132, 47 S. Ct. 314, 71 L. Ed. 578) requiring a showing of direct injury to petitioner as a result of respondent's use of the words "glass wax" on a glass and metal cleaner and polish which does not contain wax. (Ap-

pendix to Petition for Certiorari, page 20a, paragraph 2). Respondent's brief, however, admits that the Supreme Court of the United States has not yet interpreted Section 43(a) of the Lanham Act (Respondent's brief, page 7). Thus, the Court of Appeals for the District of Columbia Circuit has decided an important question[1] of federal law which has not yet been but should be settled by the Supreme Court of the United States.

II. PETITIONER CONTENDS SECTION 43(a) CHANGED AND SUPERSEDES THE ANTECEDENT COMMON LAW

Petitioner's contention before the trial court (and on the appeal) was that Section 43(a) establishes a statutory tort and entitles a private party to injunctive relief against a competitor who falsely describes his goods, without requiring the private party to prove a monopoly position in the field or direct injury as a result of the misrepresentation (thereby changing the antecedent law which found its genesis in *American Washboard Company* v. *Saginaw Mfg. Co.*, 103 F. 281 (1900) and which was confirmed by the Supreme Court in 1927 in *Ely-Norris Safe Co.* v. *Mosler Safe Co.*, supra.) In this respect, petitioner contended that Section 43(a) was intended to afford a private party, by statute, the same remedy in false description cases as was accorded a private party, at common law, in false

[1] The question is important in the public interest as well as that of petitioner and the rest of the wax industry in that it is determinative of the right of millions of retail consumers of wax products, both here and abroad, to be *truthfully* apprised of the nature and properties of the goods being purchased, without the introduction of falsely descriptive terms (such as glass wax) which misinform the consumers as to the composition of the goods and deprive them of the free and fair opportunity to judge and choose between rival commodities which are truthfully described.

geographical representation cases under *Pillsbury-Washburn Flour Mills Co.* v. *Eagle*, 86 F. 608. Neither a monopoly position nor direct injury was required to be shown in the latter case to entitle the private party to *injunctive* relief in equity against the false representation.

The principal point urged by respondent in its brief in opposition to the present petition is that "Petitioner did not suffer defeat by reason of any construction placed upon Section 43(a) of the Lanham Act * * * by the courts below". (Respondent's brief, page 2). Respondent goes on to say that petitioner was denied injunctive as well as other relief because petitioner "failed to prove that it is entitled to relief".

The question sought to be reviewed by this Court on certiorari may be summarized as follows:

> "As a matter of law, what is petitioner required to prove to be entitled to injunctive relief under Section 43(a) of the Lanham Act, as distinguished from the requirements of proof under the antecedent common law?"

Petitioner contends, *as a matter of law,* that it proved all that was required by the statute. It is for this Court to determine *what* proof the statute requires, namely, whether petitioner must prove either *direct* loss of sales by petitioner or that petitioner holds a *monopoly position* in the trade as at common law in the Ely-Norris case, supra; or if it is sufficient, as a matter of law, for petitioner to prove the *falsity* of the competitor's (respondent's) representation as to wax content to entitle petitioner to injunctive relief.

It is necessary to know, as a matter of law, whether Section 43(a) changed and supersedes the common

law; thereafter it can be determined whether or not petitioner has met the burden prescribed by the statute.

III. CONFLICT OF DECISIONS IN CIRCUIT COURTS OF APPEALS AS TO EFFECT OF SECTION 43(a) ON ANTECEDENT COMMON LAW

Respondent indulges in an exercise in semantics at page 7 of its brief when it states that "This Court reviews judgments, not opinions." To be specific, Title 28 United States Code, Section 1254 provides for review of "cases" by the Supreme Court. Thus, if there is a conflict of "decisions" in "cases" decided by the respective courts of appeals, the Supreme Court has clear discretion under the statute to review any "case" involving the subject matter which is in conflict in the decisions.

Respondent urges in its brief (page 6) that there is no conflict between the decisions of the Ninth Circuit Court of Appeals and Third Circuit Court of Appeals with regard to Section 43(a) of the Lanham Act. The Ninth Circuit (in *Chamberlain* v. *Columbia Pictures Corp.*, 186 F.2d 923) says, on the one hand (Appendix to Petitioner's brief, page 41a):

> "In order to entitle appellants to the relief sought it would be necessary for them to allege that they have an exclusive right to the use of the story in question and they must be injured directly by appellee's acts. Cf. Mosler Safe Co. v. Ely-Norris Safe Co., 273 U.S. 132, 47 S. Ct. 314, 71 L.Ed. 578."

On the other hand, the Third Circuit Court of Appeals (L'Aiglon Apparel, Inc. v. Lana Lobell, Inc., 214

F. 2d 649) takes direct exception to the foregoing decision of the Ninth Circuit, stating (Appendix to Petitioner's brief, pages 25a to 36a):

> "It is also urged that before 1946 a line of cases beginning with American Washboard Co. v. Saginaw Mfg. Co., 6 Cir., 1900, 103 F. 281, established the doctrine that in the area of present concern misrepresentations about goods were actionable only if they had led or were likely to lead customers, through confusion of defendant's and plaintiff's goods, to buy the former under the misapprehension that they were the latter. 'Palming off', narrowly conceived, was said to be essential to any recovery. And the view has been expressed judicially that some limitation is to be read into Section 43(a) of the Lanham Act. Chamberlain v. Columbia Pictures Corp., 9 Cir., 1951, 186 F.2d 923; Samson Crane Co. v. Union National Sales, Inc., D.C. Mass. 1949, 89 F. Supp. 218, 222. But we think it could as plausibly be argued that Section 43(a) reflects the more modern viewpoint[2] of Section 761 of the Restatement of Torts, which provides:
>
> 'One who diverts trade from a competitor by fraudulently representing that the goods which he markets have ingredients or qualities which in fact they do not have but which the goods of the competitor do have, is liable to the competitor for the harm so caused, if,
>
> '"(a) when making the representation he intends that it should, or knows or should know that it is likely to, divert trade from the competitor, * * *";

However, we reject this entire approach to the statute. We find nothing in the legislature history

[2] Apparently an outgrowth of the limited relaxation of the strictures of the American Washboard case sanctioned by the Circuit Court of Appeals in Ely-Norris Safe Co. v. Mosler Safe Co., 2 Cir. 1925, 7 F. 2d 603."

> of the Lanham Act to justify the view that this section is merely declarative of existing law. Indeed, because we find no ambiguity in the relevant language in the statute we would doubt the propriety of resort to legislative history even if that history suggested that Congress intended less than it said. It seems to us that Congress has defined a statutory civil wrong of false representation of goods in commerce and has given a broad class of suitors injured or likely to be injured by such wrong the right to relief in the federal courts. This statutory tort is defined in language which differentiates it in some particulars from similar wrongs which have developed and have become defined in the judge made law of unfair competition. Perhaps this statutory tort bears closest resemblance to the already noted tort of false advertising to the detriment of a competitor, as formulated by the American Law Institute out of materials of the evolving common law of unfair competition. See Torts Restatement, Section 761, supra. But however similar to or different from pre-existing law, here is a provision of a federal statute which, with clarity and precision adequate for judicial administration, creates and defines rights and duties and provides for their vindication in the federal courts. For illuminating discussions of Section 43(a) and its relation to precedent law, see Callman, False Advertising as a Competitive Tort, 1948, 48 Col. L. Rev. 876, 877-886; Bunn, The National Law of Unfair Competition, 1949, 62 Harv. L. Rev. 987, 998-1000."

Existence of this conflict and the fact that Section 43(a) reverses the antecedent common law is also noted in 68 Harvard Law Review 881, where it is stated:

> "This section would seem clearly to reverse the common law rule implicit in American Wash-

board Co. v. Saginaw Mfg. Co.[498] which held that because there was no passing off, a competitor could not prevent the defendant from branding its zinc boards as aluminum.

"However, the court in Chamberlain v. Columbia Pictures Corp.[499] stated that section 43(a) did not do away with the requirement that a plaintiff's injury be due to passing off.

* * *

The court's view seems too narrow a reading of the section, whose language indicates that plaintiff need only show likelihood of injury in some way, not necessarily through passing off.[500]

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[498] 103 Fed. 281 (6th Cir. 1900). The court said that plaintiff had no cause of action merely to prevent public deception."

[499] 186 Fed. 2d 923 (9th Cir. 1951), 64 Harv. L. Rev. 1383.

[500] *But see* Samson Crane Co. v. Union Nat'l Sales, Inc., 87 F. Supp. 218, 221 (D. Mass. 1949), aff'd per curiam, 180 F. 2d 596 (1st Cir. 1950)."

The article then points up the conflict by stating:

"And in L'Aiglon Apparel, Inc. v. Lana Lobell, Inc.,[501] a more recent case, * * * the court granted relief under section 43(a), though there clearly was no passing off.

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[501] 214 F. 2d 649 (3d Cir. 1954)."

It is also stated by Dr. Walter J. Derenberg in "The Influence of the French Code Civil on The Modern Law of Unfair Competition", Vol. IV, No. 1, The American Journal of Comparative Law, Winter 1955 (pages 19-22) that Section 43(a) was intended to overrule the Aluminum Washboard case and that the L' Aiglon case so declared.

The foregoing conflict is recognized in the very decision herein sought to be reviewed wherein the District Judge said (Appendix to Petitioner's Brief, page 21a):

> "Cases involving application of Section 43(a) have been few in number and conflicting in interpretation."

The District Judge in the present case refused to grant relief to petitioner on the ground that petitioner failed to show that consumers bought respondent's glass wax *because* they thought it contained wax or that if consumers had known the *true* facts as to the absence of wax in respondent's glass wax, they "most likely would have purchased a different product, whether that of Johnson or some other competitor". Neither of these requirements are found in the statute as prerequisites to the relief sought by petitioner but, instead, are criteria under the overruled common law of the "aluminum washboard" case (American Washboard v. Saginaw Mfg. Co., supra)

Despite respondent's contention, the questions to be reviewed are important questions of law involving conflicting decisions by the circuit courts and a question of statutory federal law not yet decided by this Court. These questions are accurately stated at pages 2 and 3 of the petition. Only by review of these questions will the law relating to false descriptions or representations be settled. Accordingly, petitioner respect-

fully requests that the petition for writ of certiorari be granted.

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